



October 30, 2018

Letter of Appeal/Waiver

Federal Communications Commission
445 12th Street SW, Washington, DC 20554

Dear FCC Appeals Reviewer:

We are writing to appeal the USAC appeal denial letter¹ for Funding Year 2015 dated September 26, 2018.

Appellant

Contact Name: Conley Isom
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E-Mail Address: cisom@esc12.net
Applicant Name: Salado Indep School District
Billed Entity Number: 141079

Below is a table summarizing the funding details involved in this appeal:

Form 471:	1038173	1039848
FRN:	2831098	2832604
Form 472: (Invoice #)	2388703	2388691
Amount of invoice:	\$16,560	\$705.60

Explanation of Appeal

We are writing to appeal the decision made by the Schools and Libraries Division (SLD) of the Universal Service Administration Company to deny an appeal regarding the two FRNs referenced above. The reasons given for the denial were:

- 1) *"The invoicing deadline for Funding Request Number (FRN) 2832604 was December 17, 2016. The District did not submit a BEAR form for that FRN by that deadline, and therefore was ineligible for relief under the Jefferson-Madison Reconsideration Order."*

¹ Exhibit A_Salado 2015 USAC Appeal denial letter

- 2) *“However, USAC erroneously identified the District as an applicant who qualified for the relief and improperly extended the invoice filing deadline for FRN 2832604 to September 1, 2017. Because USAC is not authorized to waive the FCC’s invoicing deadline rules, USAC must recover funding that was disbursed in violation of the FCC’s rules.”*

We would like to dispute both of these reasons given with supporting facts and documentation. The first reason given for the denial is incorrect. The District did, in fact, submit the BEAR forms on May 25, 2016², *which was prior to the deadline of December 17, 2016*. Given that the BEAR form was filed prior to the deadline, the district was eligible for relief under the Jefferson-Madison Reconsideration Order, which validates the letter the District received on August 2, 2017³. Therefore, the second reason given for the denial is also incorrect as they were properly identified in this Order.

The documentation provided in this appeal should prove the USAC denial as erroneous and, as such, we respectfully ask the FCC to reverse the USAC denial decision immediately. Below is an explanation of the events that took place and proof that the district followed all program rules and deadlines required of them.

Explanation:

On May 25, 2016, Salado Independent School District submitted BEARs for two committed Funding Requests (FRN 2831098, FRN 2832604). Invoice ID 2388691 (\$705.60) and Invoice ID 2388703 (\$16,560.00) were submitted in the legacy BEAR filing system⁴. These invoices were never disbursed to the district and the status in the legacy BEAR system still says “pending validation”. The district did not know these invoices were not paid until they received two Administrator’s Decision on FCC Remand letters⁵ regarding both unpaid BEAR invoices on August 2, 2017. These letters indicated that Salado Independent School District was identified as qualifying for relief in the *FCC Order DA 17-526*⁶. In this Order, the FCC allowed applicants to resubmit BEAR invoices that were timely filed between August 2014 and July 2016. Since the original BEAR was filed on May 25, 2016, it fell into this timeline and fit the description of the Order’s relief so the district proceeded with filing a new BEAR. The district had no reason to think this letter was incorrect or erroneous.

Per the Jefferson-Madison Reconsideration Order⁷, the reason identified for the delay of processing the originally filed BEAR was due to the change in the reimbursement system of paper BEARs to online (ACH) payment which took place in the summer of 2015. The transition to a new electronic payment system effected Salad ISD’s Funding Year 2015 reimbursements and they were grateful to see the relief order allowing them access to these necessary funds.

² Exhibit B_Salado_2015_originally filed BEAR

³ Exhibit C_Salado_USAC JM letter

⁴ See Exhibit B

⁵ Exhibit D_Salado remand letters

⁶ Exhibit E_DA-17-526A1

⁷ See Exhibit E

The letter allowed the district 90 days to resubmit the invoices for processing with a new deadline of September 1, 2017. On August 8, 2017, only six days after the remand letters were received, the district filed a new BEAR containing both funding requests (Invoice ID 2652964⁸) in the amount of \$17,265.60. A USAC Remittance Statement was received on August 10, 2017, showing the approved amounts included in the associated invoices with a Total Approved Disbursement of \$17,265.60⁹.

Ten months later on June 18, 2018, the district received the two *Recovery of Improperly Disbursed Funds* letters¹⁰. The letters came as a surprise and were *issued in error*. The explanation of the letter states the invoices were received after the invoice deadline, which is incorrect. Below is the *Funding Commitment Adjustment Explanation*:

You received disbursements after your invoice deadline. For recurring services, invoices must be submitted no later than 120 days after the last day to receive service or 120 days after the FCC Form 486 Notification Letter date, whichever is later. Services must be delivered within the fund year. Your invoice was received after the invoice deadline. Therefore, USAC must seek recovery of improperly disbursed funds in the amount of \$16,560.00

The remand letters need to be retracted due to the fact that the invoice filings were done within the allowable deadlines:

- The originally filed BEARs were submitted on May 25, 2016 with the original deadline of December 17, 2016.
- The new BEARs were submitted on August 8, 2017 with the deadline of September 1, 2017.

Once USAC was directed by the FCC to allow districts more time to file BEARs in the FCC Order DA 17-526¹¹, the district acted *immediately*.

For all the reasons and supporting documentation within this appeal/waiver, we respectfully request that the FCC approve the appeal and retract the remand letters issued on June 18, 2018, which will allow Salado ISD to keep their *properly disbursed monies* for this FY 2015 project.

Sincerely,

Conley Isom
ESC Region 12 E-Rate Consulting

⁸ Exhibit F_Salado 2015 Resubmitted BEAR Invoice #2652964

⁹ Exhibit G_Salado 2015 BEAR Remittance Statement

¹⁰ Exhibit H_Salado 2015 BEAR Recovery of Funds Letter

¹¹ See Exhibit E